NUEXCO

EXECUTIVE SUMMARY
REPORT 209
(All data as of December 31, 1985)

Exchange Value $17.00, up $0.25

The **Exchange Value** is **$17.00** per pound U_3O_8, up $0.25 since last month.

UF_6 Value $47.00, up $1.00

The **UF_6 Value** is **$47.00** per kilogram U as UF_6, up $1.00 since last month.

Transactions

Seven recent natural uranium sales are reported, involving approximately 900 thousand pounds U_3O_8 equivalent. All of the sales involved spot or near-term delivery and also met the conditions for inclusion in the Transaction Value.

Supply-Demand Ratio fell to 1.5:1

Active spot and near-term **uranium supply** amounts to **3.6 million** pounds U_3O_8 equivalent, down 20 thousand pounds since last month. Active spot and near-term **uranium demand** totals **2.3 million** pounds, up 55 thousand pounds. The spot and near-term **supply-demand ratio** fell to **1.5:1.**

Transaction Value $16.55, up $0.75

The **Transaction Value** is **$16.55** per pound U_3O_8, up $0.75 since last month. The calculation includes 11 transactions involving a total of 2.1 million pounds U_3O_8 and equivalent UF_6, and covers a period of 3 months.

Loan Rate unchanged at 5%

The **Loan Rate** is **5 percent** per annum, unchanged.

Conversion Value unchanged at $1.60

The **Conversion Value** is **$1.60** per pound U as UF_6, unchanged since last month. Active secondary market supply for conversion services for delivery within three years totals 300 thousand pounds U as UF_6. No active demand or/and no secondary market conversion transactions are reported.

SWU Value for delivery within one year: $80

The **SWU Value** at .3 tails and for delivery within one year is **$80** per SWU. One secondary market SWU transaction, involving 50-100 thousand DOE-origin SWUs, is reported.

* * *

Raw Materials

Part Two of a two-part article on surficial uranium deposits describes characteristics of this unconventional type uranium occurrence as it appears in various regions throughout the world, and examines some established recovery techniques. Part One appeared in Report 208 (December 1985).

Australia

The recent announcement by the Olympic Dam joint venture partners to commit to the Roxby Downs project ended speculation that the decision would be deferred until firm delivery contracts could be secured. Nevertheless, finding buyers for the projected annual production of 4.4 million pounds U_3O_8 is likely to prove difficult given current market conditions and the existing government floor price policy.

1985 Index

This Report includes an index to Reports published in 1985 (197-208).

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NUEXCO REPORT 209 FIGURES OF THE MONTH (December 31, 1985)	This Month (Report 209)	Last Month (Report 208)	12 Months Ago (Report 197)
Exchange Value[1]	17.00	16.75	15.25
Transaction Value[1]	16.55	15.80	15.90
UF_6 Value[2]	47.00	46.00	—
Loan Rate[3]	5%	5%	6%
Conversion Value[4]	1.60	1.60	0.80
Near-Term Uranium Supply[5]	3.6	3.6	3.6
Near-Term Uranium Demand[6]	2.3	2.3	1.3
Near-Term Supply-Demand Ratio	1.5	1.6	2.9
Recent Uranium Sales:			
Number of Transactions[7]	7	1	7
Quantity of Material[8]	0.9	0.2	2.6
Nuexco SWU Value:[9]			
at 0.3 tails assay and delivery within one year	80	—	—
USDOE SWU Prices:			
USEC	125.00[10]	125.00[10]	135.00
AFC	153.00[11]	153.00[11]	153.00[11]
Requirements	157.00[11]	157.00[11]	157.00[11]
Market Value of Enriched UF_6[12,13]:			
2.5 w/o U_{235}	460	451	507
3.0 w/o U_{235}	589	578	657
3.5 w/o U_{235}	720	707	810
4.0 w/o U_{235}	854	837	965

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per kilogram U as UF_6.
[3]Per annum.
[4]US $ per pound U as UF_6.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds U_3O_8, equivalent.
[9]US $ per SWU.
[10]Effective 10/1/85.
[11]Effective 10/1/84.
[12]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 4/30/85 to 11/30/85, calculations used in the Nuexco SWU Value for DOE origin and delivery by the end of FY86. As of 12/31/85, calculations use the SWU Value for delivery within one year.
[13]US $ per KgU as UF_6, rounded to the nearest $.

INDEX TO LAST MONTH'S REPORT (208)

Topic		Page
Focus	Belgium's Nuclear Power Program	11
Australia	Upcoming Decision on Olympic Dam Commitment	16
Raw Materials	Surficial Uranium Deposits — Part 1	17
Nuclear Fuel Pricing	*Natural Uranium and Conversion* Pricing in November 1985	1
	Enriched Uranium and SWUs Pricing in November 1985	2

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